## OMNIBUS TRADE BILL/CBI and Labor-Human Rights Standards

SUBJECT: African Growth and Opportunity Act... H.R. 434. Moynihan motion to table the Wellstone amendment No. 2487 to the Roth/Moynihan substitute amendment No. 2325.

## **ACTION: MOTION TO TABLE AGREED TO, 66-31**

SYNOPSIS: As introduced, H.R. 434, the African Growth and Opportunity Act, will expand trade with the 48 Sub-Saharan African (SSA) nations by making qualifying SSA nations eligible for enhanced benefits under the Generalized System of Preferences (GSP) program, by giving qualifying SSA nations duty-free and quota-free access to the United States for certain apparel products, by creating a Trade and Economic Cooperation Forum between the United States and SSA countries, and by directing the President to begin plans for implementing a United States-SSA free trade area.

The Roth/Moynihan substitute amendment would enact the Trade and Development Act. The substitute: would include provisions similar to the House provisions to expand trade with SSA countries; would reauthorize the expired GSP program, which grants the President the authority to provide duty-free treatment to imports of eligible articles from designated countries; would reauthorize the expired Trade Adjustment Assistance (TAA) programs, which provide assistance to workers adversely affected by import competition; and would enact the United States-Caribbean Basin Trade Enhancement Act, which would expand the Caribbean Basin Initiative (CBI) by providing additional tariff preferences on a number of products not previously covered.

The Wellstone amendment would condition the enhanced CBI benefits that will be provided by this bill on a CBI country's compliance with certain labor standards, as determined by the Secretary of Labor, and with human rights standards, as determined by the Secretary of Labor with the agreement of the Secretary of State. Specifically, on labor standards, the CBI country would have to provide "effective enforcement of internationally recognized worker rights," including the core labor standards enumerated in the treaties of the International Labor Organization (ILO) and including: the right of association; the right to organize and bargain collectively; a prohibition on the use of coerced or compulsory labor; adherence to the international minimum age for the employment of children (age 15); and acceptable conditions of work with respect to minimum wages, hours of work, and

(See other side)

	<b>YEAS</b> (66)	NAYS (31)		NOT VOTING (2)		
	Republicans Democra		s Republicans	Democrats	Republicans	Democrats
	(48 or 91%)	(18 or 41%)	(5 or 9%)	(26 or 59%)	(1)	(1)
Abraham Allard Ashcroft Bennett Bond Brownback Bunning Burns Cochran Coverdell Craig Crapo DeWine Domenici Enzi Fritzgerald Frist Gorton Gramm Grams Grassley Gregg Hagel Hatch	Helms Hutchinson Hutchison Inhofe Kyl Lott Lugar Mack McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Smith, Gordon Stevens Thomas Thompson Thurmond Voinovich Warner	Bayh Biden Bingaman Breaux Bryan Daschle Dodd Edwards Feinstein Graham Kerrey Landrieu Lieberman Lincoln Moynihan Murray Robb Wyden	Campbell Collins Jeffords Snowe Specter	Akaka Baucus Boxer Byrd Cleland Conrad Dorgan Durbin Feingold Harkin Hollings Johnson Kennedy Kerry Kohl Lautenberg Leahy Levin Mikulski Reed Reid Rockefeller Sarbanes Schumer Torricelli Wellstone	1—Offic 2—Nece 3—Illnes 4—Othe SYMBO AY—An	r LS: mounced Yea mounced Nay red Yea

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occupational safety and health. The amendment would also mandate that businesses make "all appropriate records and other information" available for the perusal of the Secretary of Labor, the head of the national labor agency of the applicable CBI country, and the head of the Inter-American Regional Organization of Workers (an international labor union organization). On human rights, a CBI country could not receive this bill's benefits if it engaged in significant violations of internationally recognized human rights. The Secretary of Labor would have to monitor compliance and redetermine at least once every 3 years that a country was in compliance for it to continue to receive CBI benefits. Finally, the amendment would create a private cause of action to permit United States citizens to sue a country or company that received enhanced CBI benefits under this bill for failing to adhere to ILO standards.

Debate was limited by unanimous consent. After debate, Senator Moynihan moved to table the amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

## **Those favoring** the motion to table contended:

The purpose of this amendment is meritorious, and it is already addressed in the underlying legislation. The bill will require the President to take into account a country's adherence to ILO labor standards when determining that country's eligibility for enhanced CBI benefits. However, the amendment is not merely duplicative, because the means by which it pursues its end would violate the sovereignty of foreign nations and would unjustly force companies to reveal proprietary business information. The amendment would even allow private American citizens to file suit and drag foreign countries and companies through discovery and trials in United States Federal courts. No foreign country would accept this treatment. All of the CBI countries would refuse the benefits of this bill before they made all of their businesses open their books to government bureaucrats, foreign officials, and international labor leaders. The Wellstone amendment would not protect worker rights; it would kill trade with CBI countries. This amendment is nothing more than thinly disguised protectionism.

CBI benefits are already linked to eligibility for the GSP program. One of the requirements for the GSP program is that a country must protect internationally recognized workers' rights. Our colleagues have alleged that the GSP standards are meaningless. We inform them that 11 countries have been suspended from receiving GSP benefits since 1985 due to labor standard violations, and 6 countries are currently suspended for such violations. A June, 1998 report from the General Accounting Office concluded that the GSP and CBI programs have led to improvements in worker rights in the beneficiary countries. If our colleagues still are not convinced, we ask them to please listen to the unions in the CBI countries themselves. Those unions, including the Jamaica Confederation of Trade Unions, have endorsed this bill as it is written. They know that the CBI has been improving worker rights and that expanding it will improve them even more. We ought to continue on the present course rather than putting on restrictions, as proposed by the Wellstone amendment, that are so onerous they will stifle trade with the CBI countries. We therefore urge our colleagues to vote to table this amendment.

## **Those opposing** the motion to table contended:

Only CBI countries that enforce internationally recognized labor standards should be given the benefits that will be provided by this bill. Unfortunately, this bill will do more than require the President to consider a country's adherence to such standards when deciding if it is eligible for advanced CBI benefits. That is the same standard that is currently used and ignored for the GSP and the CBI, so we know it will not work for this bill either. The President has never suspended a CBI country despite the terrible labor rights records that so many of those countries have compiled. Wages have steadily declined in the CBI countries over the last 10 years at the same time as trade with the United States has exploded. For instance, imports of Honduran textile and apparel products are up 2,523 percent, and Honduran wages are down by 59 percent; El Salvadoran imports are up 2,512 percent and wages are down 27 percent. All across Latin America there is a race to the bottom in wages and working conditions. Labor cases are often brought for CBI review, but they are always dropped. For instance, after investigating the Dominican Republic for 2 years for forced labor and child labor, a review was dropped in 1991 due to the adoption of "labor code reform." Guatemala was investigated from 1992 through 1997 for violations of the right to form unions, and the review was then dropped. The list goes on and on. In America, the average textile worker earns \$8.42 per hour; in Columbia, the pay is 80 cents per hour; in Honduras, it is 40 cents; in Haiti, it is 30 cents; in Nicaragua, it is just 23 cents. American workers are not going to be able to organize and compete against countries that pay inhumanly low wages such as 23 cents per hour. The Wellstone amendment would fix this problem by enacting enforceable standards. Labor officials who are expert in this area and who are unafraid to act would be in charge of determining compliance instead of the President. Further, private citizens would be able to bring suits to address violations. If our colleagues support worker rights, they should support this amendment.